

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

AKAITCHO YELLOWKNIFE GOLD MINES
LIMITED

Incorporated under the laws of the Province of Ontario dated January 4th, 1945

1. Address of the Company's Head Office and of any other offices:
2810—25 King Street West, Toronto, Ontario

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	A. J. Anderson	4 Garland Ave., Toronto, Ont.	Mining Engineer
Vice-President	A. H. Paradis	4 Belvedere Rd., Montreal	Industrialist
Secretary-Treasurer	A. C. Callow	82 Arundel Ave., Toronto	Accountant

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
A. J. Anderson	4 Garland Ave., Toronto	Mining Engineer
A. H. Paradis	4 Belvedere Rd., Montreal	Industrialist
J. S. Dickson	406 Vesta Drive, Toronto	Mining Executive
W. B. Malone	108 Inglewood Drive, Toronto	Chartered Accountant
C. E. McKenna	1227 Sherbrook St. W., Montreal	Stock Broker

4. Amount of authorized capital: \$3,000,000
5. Number of shares and par value: 3,000,000. Par value \$1.00 each.
6. Full details of all shares issued in payment for properties or for any other assets other than cash:
- | Date | Number of Shares | Consideration |
|---------------------|------------------|-----------------------------------------------------------------------------------------------------------------|
| August 14, 1945.... | 269,873 | Issued for Mining Properties situate in Northwest Territories, Yellowknife District, total of 1,000,000 shares. |
| December 11, 1945 | 430,127 | |
| January 23, 1946 | 300,000 | |
| Total..... | 1,000,000 | |
7. Number of shares sold for cash..... 700,005
8. Total number of shares issued 1,700,005
9. Number of shares now in treasury or otherwise unissued: 1,299,995

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

10. Full details of all shares sold for cash.	Date	Number of Shares	Price per Share	Amount realized by Company												
	Incorporators	5	\$1.00	\$ 5.00												
	April 20, 1945	269,873	.10	26,987.30												
	October 19, 1945	230,127	.15	34,519.05												
	December 11, 1945	200,000	.25	50,000.00												
	Total	700,005		\$111,511.35												
11. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	None															
12. Date of last annual meeting.	None held yet															
13. Date of last report to shareholders.	None as yet															
14. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	1,249,995 shares under option to Frobisher Exploration Company Limited by agreement dated January 31, 1945, as follows: <table><tr><td>200,000 shares at 35c on or before</td><td>Sept. 30, 1946</td></tr><tr><td>200,000 " " 45c " "</td><td>Feb. 28, 1947</td></tr><tr><td>200,000 " " 55c " "</td><td>June 30, 1947</td></tr><tr><td>200,000 " " 65c " "</td><td>Oct. 31, 1947</td></tr><tr><td>449,995 " " 75c " "</td><td>Feb. 28, 1948</td></tr><tr><td>1,249,995</td><td></td></tr></table>				200,000 shares at 35c on or before	Sept. 30, 1946	200,000 " " 45c " "	Feb. 28, 1947	200,000 " " 55c " "	June 30, 1947	200,000 " " 65c " "	Oct. 31, 1947	449,995 " " 75c " "	Feb. 28, 1948	1,249,995	
200,000 shares at 35c on or before	Sept. 30, 1946															
200,000 " " 45c " "	Feb. 28, 1947															
200,000 " " 55c " "	June 30, 1947															
200,000 " " 65c " "	Oct. 31, 1947															
449,995 " " 75c " "	Feb. 28, 1948															
1,249,995																
15. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.	200,000 shares are held in escrow by The National Trust Company, subject to the release on the consent of the Ontario Securities Commission & Frobisher Exploration Company Ltd.															
16. Details of any registration with, or approval or authority for sale granted by, a Securities Commission or corresponding Government body.	The Ontario Securities Commission on June 4, 1945, authorized the sale of the Company's shares in Ontario through the medium of registered brokers.															
17. Has any application for registration with, or approval or authority for sale by, a Securities Commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars.	No															

18. Particulars of any bonds, notes, mortgages, charges, liens or hypothecations outstanding.	None										
19. Names and addresses of all transfer agents.	National Trust Company Limited, 20 King Street East, Toronto, Ont. Crown Trust Company, P.O. Box 3353, Place d'Armes, Montreal, Que.										
20. Particulars of any fee charged upon transfers other than customary government taxes.	Certificate fee—25c per certificate										
21. Names and addresses of all registrars.	National Trust Company Limited, 20 King Street East, Toronto, Ont. Crown Trust Company, P.O. Box 3353, Place d'Armes, Montreal, Que.										
22. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.	None										
23. Enumerate fully: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held. Give particulars of title held by the Company in each instance, (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)	24 unpatented Mining Claims situate in the Yellowknife Mining Division, N.W.T., as follows: <table> <tr> <th>Mineral Claim No.</th><th>Grant No.</th></tr> <tr> <td>27/29 inclusive</td><td>37851/37853</td></tr> <tr> <td>30</td><td>" 36088</td></tr> <tr> <td>31/33</td><td>" 37854/37856</td></tr> <tr> <td>34/50</td><td>" 36089/36105</td></tr> </table>	Mineral Claim No.	Grant No.	27/29 inclusive	37851/37853	30	" 36088	31/33	" 37854/37856	34/50	" 36089/36105
Mineral Claim No.	Grant No.										
27/29 inclusive	37851/37853										
30	" 36088										
31/33	" 37854/37856										
34/50	" 36089/36105										
24. Full particulars of any royalties or other charges payable upon production from each individual property.	None										

25. Describe plant and equipment on property.	Temporary camp building and core shack on property
26. Describe development accomplished and planned.	(1) Prospecting, geological survey and mapping, and diamond drilling (total to date 16,750 ft.) under the supervision and direction of Frobisher Exploration Co. Limited technical staff. (2) Present program calls for continuing geological mapping and diamond drilling.
27. Date and author of mining engineer's or petroleum geologist's report filed with this application and available for inspection on request.	N.H.C. Fraser—December 7th, 1945.
28. Full particulars of production to date.	None
29. Have any dividends been paid? If so, give dates and amounts.	No
30. Name and address of the solicitor or attorney whose certificate as to titles and to the fact that there are no encumbrances or tax arrears has been filed with the Exchange.	Messrs. Roberts, Archibald, Seagram & Cole, Barristers, etc., 320 Bay Street, Toronto, Ont.
31. Name and address of the solicitor or attorney whose certificate as to the legality of the incorporation and organization of the company, the validity of its shares and the fact that they are fully paid and non-assessable has been filed with the Exchange.	Messrs. Roberts, Archibald, Seagram & Cole, Barristers, etc., 320 Bay Street, Toronto, Ont.
32. Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars.	No
33. Are any shares of the Company listed on any other stock exchange? If so, give particulars.	Application for listing on the Montreal Curb Market to be filed when application for listing on Toronto Stock Exchange has been accepted.

Dated at Toronto, Ontario, the 9th day of April, 1946.



AKAITCHO YELLOWKNIFE GOLD MINES LIMITED

"A. J. ANDERSON," *President.*

"A. C. CALLOW," *Secretary.*

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
As of July 10th, 1946

<i>Number</i>					<i>Shares</i>
45	Holders of	1 - 100	share lots	.....	3,488
13	" "	101 - 200	" "	.....	2,381
10	" "	201 - 300	" "	.....	2,900
12	" "	301 - 400	" "	.....	4,400
18	" "	401 - 500	" "	.....	8,725
22	" "	501 - 1000	" "	.....	16,731
36	" "	1001 - up	" "	.....	1,661,380
156					<u>1,700,005</u>

FINANCIAL STATEMENT

BALANCE SHEET

December 31, 1945

ASSETS

CURRENT ASSETS:

Cash on deposit.....	\$54,969.09	
Accounts receivable.....	847.55	
	<u> </u>	\$ 55,816.64

MINING CLAIMS:

24 mining claims located in the Yellowknife Mining Division, N.W.T., at amounts at which shares have been and are to be issued in payment thereof		50,000.00
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DEFERRED CHARGES:

Deferred exploration expenditures, including expenditures paid by optionee prior to incorporation for which reimbursement was made by the Company	\$60,483.73	
Organization expenses.....	2,068.26	
	<u> </u>	62,551.99
		<u><u>\$168,368.83</u></u>

LIABILITIES

CURRENT LIABILITIES:

Advances from Frobisher Exploration Company Limited.....	\$ 6,857.28
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LIABILITY TO VENDORS OF MINING CLAIMS—to be satisfied by issue of 300,000 shares of capital stock at \$0.05 per share.....	15,000.00
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CAPITAL STOCK:

Authorized—3,000,000 shares of \$1.00 each.	
Issued and fully paid—1,400,005 shares.....	\$1,400,005.00
Deduct discount on shares.....	1,253,493.65
	<u> </u>
	146,511.35

To be issued to vendors of mining claims—
300,000 shares at \$0.05 per share (see above).

Under option to Frobisher Exploration Company Limited:
1,249,995 shares at prices ranging from \$0.35 per share to \$0.75 per share.

\$168,368.63

AUDITORS' REPORT

To the Shareholders:

We have made an audit of the books and records of Akaitcho Yellowknife Gold Mines Limited (No Personal Liability) for the period from the incorporation of the Company on January 24, 1945, to December 31, 1945, and have obtained all the information and explanations we have required.

We report that, in our opinion, the above Balance Sheet is properly drawn up so as to present fairly the financial position of the Company as at December 31, 1945, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

GUNN, ROBERTS AND CO.,

Chartered Accountants.

Toronto, March 26, 1946.

STATEMENT OF EXPLORATION EXPENSES DEFERRED

From Incorporation of Company on January 24, 1945, to December 31, 1945

(Including amount paid by optionee prior to incorporation for which
reimbursement was made by the Company)

Diamond Drilling:		
Drilling contract.....	\$38,966.25	
Assay expenses.....	344.00	
Core boxes.....	597.87	
Cordwood.....	1,229.10	
		\$41,137.22
Salaries and wages.....		8,908.87
Travelling expenses.....		3,476.24
Proportion Yellowknife Office Expenses.....		1,598.68
Surveying fee.....		2,164.00
Supplies and sundry expenses.....		2,540.01
Insurance premiums.....		194.41
Recorder's fees.....		74.00
		<u>\$60,093.43</u>
Administrative and General Expenses:		
Legal expenses.....	\$ 230.67	
Transfer agents fees and expenses	354.17	
Mining license fees.....	450.00	
Other expenses.....	203.01	
		<u>1,237.85</u>
		<u>\$61,331.28</u>
Deduct: Miscellaneous income.....		847.55
		<u>\$60,483.73</u>
Amount deferred at December 31, 1945.....		<u>\$60,483.73</u>

SUPPLEMENTAL INFORMATION CONCERNING FINANCIAL POSITION OF COMPANY As of June 30th, 1946

The following supplemental information has been supplied by the Company under date of July 4th, 1946:

"The cash position of this Company as of June 30th, 1946, is \$50,528.72. There are at present no charges for the month of June which are outstanding outside of an estimated \$10,000 to cover diamond drilling, which has not yet been billed."

ENGINEER'S REPORT

Property and Location

The property consists of the following twenty-four mineral claims, north of and adjoining the property of Giant Yellowknife Gold Mines Limited:

<i>Mineral Claim</i>	<i>Recorded No.</i>
A.E.S. Nos. 27 to 29	37851 to 37853
No. 30	36088
Nos. 31 to 33	37854 to 37856
Nos. 34 to 50	36089 to 36105

The south boundary of the group lies about $2\frac{1}{4}$ miles north of the outlet of Baker Creek on Yellowknife Bay, where the Giant camp is located, and the west boundary lies along the West Bay fault, a marked topographical and structural feature of the Yellowknife region.

History

Surface prospecting for the original owners, Aerial Exploration Syndicate, was carried out during the early period of activity in Yellowknife in 1936-37. The property was optioned by Frobisher Exploration Company Limited in March, 1944. A program of geological mapping, detailed prospecting and diamond drilling was carried out during 1944-45. Under the terms of this option, the claims were transferred to Akaitcho Yellowknife Gold Mines Limited in January, 1945, and since that time operations have been under the direction of the Frobisher staff on behalf of the new Company.

Geology

The claims are underlain by both igneous and sedimentary rocks, the latter occupying most of the area north of the Akaitcho Bay fault, which strikes northwesterly across the central portion of the property. Basic lavas are the most numerous of the igneous rocks, and massive flows containing some bands of pillows and a wide belt of volcanic breccia, occupy most of the eastern half of the property south of the fault. In the western half, some acid volcanics, tuffaceous rocks and narrow bands of pillow lava are interbedded and these rocks are intruded by broad, sill-like masses of diorite. The formations strike to N20°E with nearly vertical dips and the shape of the pillow structures indicate that the flows face east.

Shear zones, which probably are faults with small displacements, cut the greenstone in many places. Other shears or faults may lie in some of the drift-filled linear depressions which are prominent features of the surface topography.

Boundary Survey

The outside boundaries of the claim group were cut out and surveyed by Mr. J. A. Buchanan, D.L.S.

Prospecting

Detailed prospecting was carried out on the portion of the claim group lying south of the Akaitcho fault, and reconnaissance prospecting was done over the remainder of the claims. No new important veins were discovered, but gold was found in a number of small veins, largely in the northwest part of the claim area.

Diamond Drilling

A program of exploratory diamond drilling was undertaken to cross section drift filled linear depressions on the property. The work was commenced with a small X-ray diamond drill, but this equipment proved too light and its use was discontinued after a footage of 351 feet had been drilled. A standard drill was then used and twenty-six drill holes completed with an aggregate footage of 16,721 feet.

These drill holes are listed below:

<i>Hole No.</i>	<i>Bearing</i>	<i>Dip at Collar</i>	<i>Co-ordinates of Collar</i>	<i>Length</i>
1	S52E	46½	N 18097 E 6120	697'
2	S46-17E	45	N 19456 E 7147	703'
3	S46-17E	45	N 19457 E 7142	613'
4	N83E	45	N 19453 E 7839	695'
5	S87-28E	38	N 20407 E 8161	658'
6	N87-28W	40	N 20406 E 8183	370'
7	S82-46E	45	N 19400 E 8245	612'
8	S83-04E	45	N 19326 E 8027	602'
9	S82-35E	45	N 19247 E 7901	703'
10	S82-46E	45	N 19149 E 7790	732'
11	S85-09E	45	N 18892 E 7580	840'
12	S83E	45	N 19055 E 7716	836'
13	N88E	45	N 20861 E 6015	834'
14	S88W	43	N 20861 E 5994	500'
15	N74-44W	44	N 19568 E 6167	746'
16	S74-50E	44	N 19573 E 6159	802'
17	N89-29W	46	N 20976 E 6160	505'
18	S88-50W	45½	N 20844 E 6893	475'
19	S88-50E	46	N 20845 E 6812	748'
20	N86-04E	49	N 21875 E 6104	742'
21	N78-15E	45	N 21802 E 7780	745'
22	N89-05W	44	N 20799 E 7721	400'
23	N86-04E	42½	N 21931 E 6783	363'
24	N86-04E	45	N 21828 E 5701	601'
25	N78-30W	45	N 21740 E 4868	599'
26	N78-39W	45	N 23402 E 4977	600'

Several cross sections in each of the main drift-filled depressions, south of the Akaitcho fault, were obtained in the above drill holes, but important shearing was found in only one of them, on claim A.E.S. 38. This shear was intersected first in D.D.H. No. 4 at a point about 700 feet north of the north boundary of the Giant property. D.D.H. No. 7 was drilled in the same plane to intersect the shear at a higher horizon, but no shear was intersected. D.D.H.'s 8, 9, 10 and 12 were drilled at 100-foot intervals south of D.D.H. No. 4, each hole intersecting the mineralized shear. D.D.H. No. 11 is located approximately 200 feet south of D.D.H. No. 12. It was drilled as far as possible but failed to reach the shear zone. A summary of the results obtained in these drill holes is given in the following table:

<i>Hole No.</i>	<i>Best Part of Intersection</i>	<i>Sample Length</i>	<i>Assay (AU)</i>
4	666.0 - 668.9	2.9	0.02 oz/ton
	668.9 - 671.4	2.5	1.02
	671.4 - 676.0	4.6	0.05
7	No shear intersected.		
8	298.7 - 302.6	3.9	0.17
	302.6 - 308.2	5.6	0.11
	308.2 - 313.0	4.8	0.02
9	574.0 - 579.0	5.0	0.01
	579.0 - 583.5	4.5	0.06
	583.5 - 595.5	7.0	0.16
	595.5 - 602.0	6.5	0.01
10	sludge from ground core		
	589 - 594	5.0	0.45
	660.0 - 665.0	5.0	0.02
	665.0 - 670.0	5.0	0.08
	670.0 - 674.2	4.2	0.18
11 12	674.2 - 679.7	5.7	0.02
	Did not reach shear zone.		
	751.0 - 754.0	3.0	0.15
	754.0 - 760.7	6.7	0.13
	760.7 - 762.2	1.5	0.05
	762.2 - 766.8	4.6	0.15
	766.8 - 771.8	5.0	0.19
	771.8 - 776.0	4.2	0.06

About 2300 feet northwest of D.D.H. No. 4 mineralization was intersected in exploratory drill hole No. 14. The following assays were obtained:

Footage	Sample Length	Assay (A U)
53 - 55.5	2.5	0.17 oz/ton
55.5 - 58.5	3.0	0.22
58.5 - 63.0	4.5	0.25

D.D.H. No. 17 was drilled parallel to D.D.H. No. 14, 100 feet to the north but obtained no intersection. Additional drilling will be required to determine the significance of the intersection in D.D.H. No. 14.

Only negligible gold values were obtained in the remainder of the drill holes. Much information, however, was gained on the rock formations in concealed areas and this will assist greatly in further study of the geology of the property.

The drilling was discontinued when the exploratory program, originally planned, was completed. The gold values obtained at the two localities on the property are most encouraging and further exploration by diamond drilling is warranted on both occurrences.

Proposed Exploration

During the spring and summer of 1946 it is proposed to continue geological mapping and detailed prospecting of the claims. Special geological study will be given to the localities in which gold values have already been found so that further diamond drilling can be directed intelligently to thoroughly explore these occurrences. These occurrences are similar in some respects to those on the Giant claims, which adjoin the Akaitcho property on the south, and results obtained on the Giant probably will assist greatly in interpreting the nature of the Akaitcho occurrences. It is proposed to continue diamond drilling toward the middle of next summer, after detailed geological studies have been completed.

Respectfully submitted,

Yellowknife, N.W.T., December 7th, 1945.

N. H. C. FRASER, *Geologist*,
Frobisher Exploration Co. Ltd.

1946 DIAMOND DRILLING RESULTS

Introduction

During 1945 exploratory diamond drilling was carried out on the A.E.S. group of claims (now the property of Akaitcho Yellowknife Gold Mines Limited) under the direction of Frobisher Exploration Company Limited. As part of this program of exploration seven holes were drilled from west to east across a swampy depression, a short distance north of the north boundary of the Giant group. These holes disclosed the presence of a mineralized shear zone similar in appearance to the shear zones in which ore bodies on the Giant property have been found. Hole No. 4 cut an intersection of 1.02 oz. ton over a core length of 2.5 feet, but the other holes showed only erratic values. A study of the drilling results by N. H. C. Fraser indicated that the zone had an easterly dip, in contrast to those on the Giant which mostly dip to the west.

In the current drilling program vertical holes are being drilled at intervals on cross sections at right angles to the estimated strike of the zone. Seven holes, numbers 27 to 33 inclusive, have been completed on the plane of hole No. 4. These holes have traced the gold-bearing zone for a distance of approximately 600 feet down the dip from a vertical depth of 100 feet in hole No. 30 to a vertical depth of 450 feet below the collar of Hole No. 33. The indicated dip is about 38° to the east, but between holes 32 and 33 it apparently flattens to a sub-horizontal attitude.

Drill Results 1946

The following results have been received from the property in the weekly progress reports. The accompanying plan and section show the location of the holes and the positions of the intersections.

Hole No.	Location of Collar	Vertical Depth of Intersection Below Collar (feet)	Core Length (feet)	Average Assay (oz./ton)
27	650 ft. East of Collar of Hole 4	317	4.0	1.52
28	100 ft. West of Hole 27	236	1.7	0.13
29	150 ft. West of Hole 27	155	6.2	0.45
30	200 ft. West of Hole 27	112	4.2	0.05
31	100 ft. East of Hole 27	408	3.1	0.35
32	200 ft. East of Hole 27	460	7.5	1.51
33	300 ft. East of Hole 27	450	16.7	1.62
34	400 ft. East of Hole 27	—	—	—

Visible gold has been observed in several of the intersections. Individual samples for a few of the holes have been received and are as follows:

Hole No.	Footage	Core Length (feet)	Assay (oz./ton)
27	317.0 - 318.7	1.7	0.15
	318.7 - 819.3	0.6	8.54 (ch.8.60)
	819.3 - 821.0	1.7	0.41
32	459.8 - 460.4	0.6	1.15
	460.4 - 465.0	4.6	not reported—assumed nil.
	465.0 - 465.8	0.8	0.39
	465.8 - 467.3	1.5	6.88
	449.4 - 450.7	1.3	1.93
33	450.7 - 451.6	0.9	1.32
	451.6 - 453.4	1.8	2.61
	453.4 - 455.1	1.7	4.41
	455.1 - 456.3	1.2	2.01
	456.3 - 457.6	1.3	0.52
	457.6 - 458.5	0.9	1.78
	458.5 - 459.9	1.4	0.77
	459.9 - 461.9	2.0	1.34
	461.9 - 463.4	1.5	0.63
	463.4 - 466.1	2.7	0.65

Hole No. 34, 100 feet east of 33, has been drilled to a depth of 641 feet but so far has failed to intersect the zone. As soon as a heavier drill is obtained, this hole will be deepened to at least 800 feet. There is a possibility that the dip of the zone may have steepened abruptly, or the zone may be down faulted on the east between holes 33 and 34.

In the meantime the program of vertical drilling will be continued along two section lines, respectively 200 feet south and 200 feet north of Section 1. Hole 35 has been collared on the southerly section line and is opposite hole 30.

With a series of vertical holes on three section lines it should be possible to determine the true attitude of the shear zone with some certainty. This drilling may also indicate that there are pitching ore shoots within the shear zone, as might be expected from the experience at other properties in the area.

Toronto, Ontario, July 12, 1946.

A. S. DADSON, *Geologist*,
Frobisher Exploration Company Ltd.

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1185.
FILED, SEPTEMBER 24th, 1964.

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED

Full corporate name of Company
incorporated under the laws of the Province of Ontario
by letters patent dated 24th January, 1945.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

Pursuant to an agreement with Giant Yellowknife Mines Ltd. the Akaitcho property will be transferred to a new company, Supercrest Mines Limited owned 50:50 by Akaitcho and Giant, in consideration of 500,000 Class "B" preference shares to Akaitcho. Giant will agree to an exploration and development programme of the Akaitcho property whereunder it will spend \$500,000 over a period of 30 months. The proposal is subject to approval by Akaitcho shareholders of the transfer of its property to Supercrest.

Full particulars of the transaction are contained in the attached brochure.

CERTIFICATE OF THE COMPANY

DATED October 5, 1964

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED

"R.C. Mott"

CORPORATE
SEAL

"A.C. Callow"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE TORONTO STOCK EXCHANGE

STATEMENT OF THE COMMISSIONER

FINANCIAL STATEMENT

The following statement of the financial condition of the Toronto Stock Exchange for the year ending December 31, 1911, is submitted to the public for their information. The statement is based on the books and records of the Exchange and is subject to audit by the public accountants.

The statement is prepared in accordance with the requirements of the Companies Act, 1905, and the regulations made thereunder.

STATEMENT OF THE COMMISSIONER

The following statement of the financial condition of the Toronto Stock Exchange for the year ending December 31, 1911, is submitted to the public for their information. The statement is based on the books and records of the Exchange and is subject to audit by the public accountants.

The statement is prepared in accordance with the requirements of the Companies Act, 1905, and the regulations made thereunder.

The following statement of the financial condition of the Toronto Stock Exchange for the year ending December 31, 1911, is submitted to the public for their information. The statement is based on the books and records of the Exchange and is subject to audit by the public accountants.

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED

7 KING STREET EAST
TORONTO 1, ONTARIO

September 28, 1964.

TO THE SHAREHOLDERS:

Of major importance to all shareholders this booklet contains the following:	PAGE
Report of the Directors . - - - - -	3
Notice of a General Meeting of the shareholders to be held in the Elizabeth Room, King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario, on Thursday, October 22, 1964 at the hour of 10.30 o'clock in the forenoon (Toronto Time) - - - - -	5
Agreement dated September 24, 1964 between your Company and Giant Yellowknife Mines Limited - - - - -	7
Letter from Duncan R. Derry Limited - - - - -	20
Pro Forma Balance Sheet of Supercrest Mines Limited - - - - -	22

On behalf of the Board,



Secretary.

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED

7 KING STREET EAST

TORONTO, ONTARIO

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

The Company has received from Giant Yellowknife Mines Limited a proposal under the terms of which it will expend \$500,000 on underground exploration and development of the Akaitcho mining property. The proposal, which is set out in detail in the agreements reproduced in the attached material, may be briefly summarized as follows:

1. The Akaitcho mining property and other physical assets are to be transferred to Supercrest Mines Limited for 500,000 Class B preference shares, par value \$1.00, of Supercrest. Supercrest is an Ontario company, one half of the common shares of which are held by your Company and the other half by Giant.

2. Giant will agree with Supercrest to expend \$500,000 over a 30-month period on the Akaitcho mining property in return for 500,000 Class A preference shares, par value \$1.00, of Supercrest. The Class A preference shares may be redeemed at par out of funds available for the purpose prior to the Class B, but in all other respects the two classes are equal.

3. Giant will name three directors of Supercrest and your Company will name two.

4. If the property is brought into production, Giant will provide milling capacity up to 200 tons per day and, if desired by Supercrest, provide mining and other services, all at cost.

It is a matter of record that the indicated ore on the Akaitcho property occurs in an easterly dipping structure, referred to as the Akaitcho Zone, in an area between the Giant property on the south and the Akaitcho fault on the north and that three ore bodies have been indicated by surface drilling.

No further surface drilling appears justified for these occurrences and the logical next step is underground development which can be done most economically from the adjacent Giant operations.

Other areas on the property have been probed extensively by exploratory drill holes. Results have been inconclusive. Although there is still untested ground, no specific favourable target areas are known. Geological studies have been carried out, in co-operation with the Giant staff, to see if potential zone structures, other than the Akaitcho Zone, can be located.

In recent years, Giant has been developing ore bodies in the northern part of its property. These are known as the North Giant and LAW occurrences. There are indications that they are in the same zone structure as are the Akaitcho bodies.

Your directors have carefully reviewed Giant's proposal. They have also considered an independent opinion obtained from Duncan R. Derry Limited, Consulting Geologists. A copy of this opinion, which is favourable to the proposal, is enclosed. Your directors are unanimously in favour of implementing the proposal, being of the opinion that the whole is advantageous to your Company for the following principal reasons:

- (i) It offers the opportunity of early underground exploration and development of your Company's mining property, which is not considered to be otherwise economically attainable;
- (ii) It makes available the technical advice, service and operating facilities of Giant;
- (iii) It offers milling facilities on a reasonable scale and at favourable rates, and without the heavy capital expenditure otherwise inevitably involved.

To carry out the transaction a resolution of the directors authorizing the sale to Supercrest of the Company's mining property, plant, buildings, machinery and equipment must be considered and confirmed at a general meeting of shareholders, now called.

Your attention is specifically drawn to the Notice of General Meeting on page 4 and to the agreements and letter from Duncan R. Derry Limited, immediately following.

A form of proxy is also enclosed. If you are unable to attend the meeting, will you please mark on the proxy the manner in which you wish your shares to be voted and return it in the enclosed stamped envelope.

R. C. MOTT,
President.

Toronto, Ontario,
September 28, 1964.

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED

7 KING STREET EAST
TORONTO 1, ONTARIO

NOTICE OF A GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that a General Meeting of Shareholders of Akaitcho Yellowknife Gold Mines Limited (hereinafter called "the Company") will be held in the Elizabeth Room, King Edward Hotel, Toronto, Ontario on Thursday, the 22nd day of October, 1964 at the hour of 10.30 o'clock in the forenoon (Toronto time) for the following purposes:

- (a) to consider and if thought advisable to confirm the resolution passed by the board of directors of the Company on August 21st, 1964 authorizing the sale by the Company of all its mining property and plant, buildings, machinery and equipment to Supercrest Mines Limited ("Supercrest") upon the terms of an agreement dated 24th September, 1964 between the Company and Supercrest, which said agreement is Schedule B to an agreement dated 24th September, 1964 between the Company, Giant Yellowknife Mines Limited and Supercrest, copy of which agreements accompany this notice and form a part hereof; and
- (b) to transact all such other business as may properly come before the meeting.

If you cannot be personally present, please indicate on the enclosed form of proxy the manner in which you would like your shares to be voted, sign it and return it in the enclosed return envelope.

DATED at Toronto, Ontario, this 28th day of September, 1964.

By Order of the Board,

A. C. CALLOW,
Secretary.

MEMORANDUM OF AGREEMENT made in duplicate this 24th day of September, 1964.

BETWEEN:

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED,
a company incorporated under the laws of Ontario, carrying
on business in the Northwest Territories, hereinafter called
"Akaitcho"

OF THE FIRST PART

— and —

GIANT YELLOWKNIFE MINES LIMITED, a company
incorporated under the laws of Ontario, carrying on business
in the Northwest Territories, hereinafter called "Giant"

OF THE SECOND PART

— and —

SUPERCREST MINES LIMITED, a company incorporated
under the laws of Ontario, hereinafter called "Supercrest"

OF THE THIRD PART

WHEREAS Akaitcho represents that it is the holder of those mineral claims and mining rights situate at Yellowknife in the Northwest Territories held under Quartz Mining Leases, and described in Schedule "A" hereto, all hereinafter called "the Akaitcho Property", together with buildings, plant, machinery and equipment thereon or used in connection therewith;

Akaitcho
Property

AND WHEREAS exploration of the Akaitcho Property to date has failed to indicate an orebody capable of supporting an independent mining and processing operation, and Akaitcho desires to arrange for further exploration and development to determine the mining potential of the property, and if warranted, to prepare the same for production and arrange for the treatment of ores therefrom in the treatment plants of Giant, located at Yellowknife;

Akaitcho
Objective

AND WHEREAS Giant is willing to commit itself to a \$500,000 exploration and development programme in the Akaitcho property, and has underground mine workings available to give access thereto and plant and facilities to provide the most economic means of exploring and developing the Akaitcho Property and milling Akaitcho ores, if production proves warranted;

Giant
Commit-
ment and
Facilities

AND WHEREAS Supercrest Mines Limited (called "Supercrest") is an Ontario company having an authorized capital of 665,010 common shares with a par value of \$1.00 each, all issued and outstanding as fully paid, and now held one-half by Giant and one-half by Akaitcho, and 1,600,000 Class "A" 5% non-cumulative, non-voting, redeemable preference shares with a par value of \$1.00 each, and 500,000 Class "B" 5% non-cumulative, non-voting, redeemable preference shares with a par value of \$1.00 each ranking equally with said Class "A" shares except as to the prior rights of Class "A" upon redemption, none of which said preference shares are issued, and having a Board of five directors, of whom three are nominees of Giant and two of Akaitcho;

Supercrest

AND WHEREAS the parties are agreed that the Akaitcho Property should be transferred to and held by Supercrest for exploration, development and production, and for definition of the interests of Giant and Akaitcho;

Use of
Supercrest

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

1. Akaitcho agrees to sell to Supercrest and Supercrest agrees to purchase the Akaitcho Property and all its buildings, plant, machinery and equipment, the same together comprising substantially all property used by Akaitcho in carrying on its business, for a consideration of 500,000 fully paid and non-assessable Class "B" preference shares of the capital of Supercrest with a par value of \$1.00 each, and for such purpose Akaitcho and Supercrest will enter into an agreement in the terms of the draft agreement set forth as Schedule "B" hereto.

Sale of
Property

2. Giant undertakes to carry out a programme of exploration and development on the Akaitcho Property in search for minerals, and Giant agrees to commit itself to incur expenses therefor over a period of thirty months from the date of closing hereunder to the extent of \$500,000, and such enlarged or additional programmes as may be agreed between Giant and Supercrest. In consideration thereof Giant shall be entitled to receive one fully paid Class "A" preference share of the capital of Supercrest for every dollar of expenses so incurred. For the purposes of implementing the provisions hereof, Giant and Supercrest will upon closing enter into an agreement substantially in the terms of the draft agreement set forth as Schedule "C" hereto.

Development
Programme
Giant's
Commit-
ment

- Milling** 3. If, as and when Supercrest shall determine to bring the Akaitcho Property to production, Giant will receive and process ores therefrom in the treatment plant of Giant at Yellowknife at Giant's cost of processing, and in such quantities as Giant may from time to time determine, provided always that Giant agrees from and after a date thirty months from the date of closing hereunder to receive and process up to 200 short tons of Akaitcho ore per day. For such purpose Giant and Supercrest will enter into an agreement substantially in the form of the draft agreement at Schedule "D" hereto.
- Mining and Services** 4. In the event that it should hereafter be determined by Supercrest that mining or the provision of other services, labour, supervision, equipment, supplies or stores required in connection with the operations or administration of Supercrest can most economically and efficiently be procured by arrangements with Giant, Giant agrees that all such work, services, matters or things undertaken, performed, done or supplied, shall be effected by Giant at its cost, including allowance for depreciation on the same basis as may from time to time be adopted by Giant in its published financial statements.
- Borrowing** 5. Giant and Akaitcho each agree to loan Supercrest, as working capital, the sum of \$10,000, repayable on demand, without interest. It is agreed that if moneys should hereafter be required by Supercrest and be loaned by Giant, Giant shall be entitled to interest thereon at prime bank rates prevailing, and may require the issue of income debentures, which may be secured by the assets of Supercrest, and if Supercrest shall incur expenses for exploration and development, deductions in respect of the amount thereof for tax purposes shall be renounced in favour of Giant to the extent of any such loans by Giant, and as may be permitted by the Income Tax Act.

Supercrest agrees to pay no dividends nor make any distribution of capital, nor undertake any reorganization of its capital structure at any time prior to the repayment of any such indebtedness and the redemption of all issued preference shares without the written consent of Giant and Akaitcho.

Save as expressly provided, nothing in this paragraph is intended to restrict the general powers of the Board of Directors of Supercrest to determine the nature and extent of exploration and operations from time to time to be carried on, or the method of financing the same. It is the policy of the parties that, assuming productive operations are profitably established, Supercrest shall, after the allocation of available funds for reasonable exploration and development requirements of the Akaitcho Property, and after repayment of debt and redemption of preference shares, apply remaining profits to the payment of dividends.

- Direction of Supercrest** 6. (a) Supercrest shall be managed by a board of five directors, of whom two shall form a quorum. Giant shall be entitled to have three nominees and Akaitcho two nominees, and the parties shall do all acts and things necessary to give effect to the intent hereof.

(b) So long as Giant shall continue to beneficially own fifty per cent of the issued common shares of Supercrest, Akaitcho will vote all shares owned or controlled by it for the purpose of electing three nominees of Giant as directors at all meetings of shareholders at which directors are elected.

(c) So long as Akaitcho shall continue to beneficially own fifty per cent of the issued common shares of Supercrest, Giant will vote all shares owned or controlled by it for the purpose of electing two nominees of Akaitcho as directors at all meetings of shareholders at which directors are elected.

(d) Akaitcho shall not sell, mortgage, pledge or otherwise dispose of any of its shares of Supercrest without first giving Giant, by thirty days' notice in writing, the first right of purchasing the said shares, at the same price and upon the same terms as those of any such proposed sale.

(e) Giant shall not sell, mortgage, pledge or otherwise dispose of any of its shares of Supercrest without first giving Akaitcho, by thirty days' notice in writing, the first right of purchasing the said shares, at the same prices and upon the same terms as those of any such proposed sale.

(f) The provisions of sub-paragraphs (d) and (e) above do not apply to transfers of directors' qualifying shares to nominees of Giant or Akaitcho respectively.

- Additional Development Programme** 7. It is recognized by the parties that future exploration or development programmes may hereafter be thought warranted on the Akaitcho Property beyond the mineralized zone heretofore tested by surface drilling and now believed capable of production, and in such case, where Giant is prepared to undertake such a programme, it is agreed by the parties that Supercrest shall be fully justified in entering into appropriate contracts with Giant in terms generally similar to Schedule "C" hereto.

- Periodic Reports** 8. During the period of any exploration or development programme, Giant will furnish Akaitcho and Supercrest with monthly financial and operating reports of Giant's work.

9. If Giant shall have failed to incur expenses to the extent of \$500,000 in carrying out the programme referred to in paragraph 2 hereof within the said period of thirty months, or any extended period permitted by reason of delay by force majeure, as defined in paragraph 10 of the Development Agreement attached as Schedule "C" hereto, and if such failure resulted from a determination by Giant that any continuance of the said programme was economically impractical, then Giant shall be relieved of any further obligation hereunder to Akaitcho and to Supercrest if Giant shall either:

(a) cause Supercrest to return the Akaitcho Property to Akaitcho against surrender for cancellation of all outstanding Class "B" preference shares, and transfer to Giant of all common shares of Supercrest held by Akaitcho; or

(b) shall cause all common and preference shares of Supercrest which may have been held by or issued to Giant to be transferred to Akaitcho, whichever Akaitcho may require.

10. This agreement is conditional upon and shall not be binding upon the parties unless on or before the 31st day of October, 1964, the sale of the Akaitcho Property to Supercrest has been duly authorized by Special Resolution of Akaitcho. **Conditions**

11. Each of the parties hereto agrees to execute all such further documents and to do all such acts and things and give such further assurances as may be necessary or advisable to carry out the true intents and purposes hereof. **Further Assurances**

12. Time shall be of the essence of this agreement.

13. No party hereto may assign all or any part of its rights or obligations hereunder without the prior written consent of the other parties.

14. This agreement shall be deemed to be a contract made under the laws of the Province of Ontario, and for all purposes shall be construed in accordance with the laws of such Province.

15. This agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and permitted assigns.

AS WITNESS the corporate seals of the parties under the hands of their respective proper officers, duly authorized in that behalf.

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED

Per	"R. C. MOTT"	CS
	<i>President</i>	
	"A. C. CALLOW"	
	<i>Secretary</i>	

GIANT YELLOWKNIFE MINES LIMITED

Per	"P. N. PITCHER"	CS
	<i>Vice-President</i>	
	"A. C. CALLOW"	
	<i>Secretary</i>	

SUPERCREST MINES LIMITED

Per	"P. N. PITCHER"	CS
	<i>President</i>	
	"J. T. McWHIRTER"	
	<i>Treasurer</i>	

SCHEDULE "A"

"The Akaitcho Property"

Twenty-six mineral claims situate in the Yellowknife Mining District in the Northwest Territories of Canada, the titles to which are held under Quartz Mining Leases issued pursuant to the Canada Mining Regulations, or predecessor regulations, and are of record at the Department of Northern Affairs and National Resources at Ottawa as follows, namely: Leases numbered 1803 to 1828 inclusive, issued in respect of mineral claims designated AES 27 to AES 49 inclusive, AES 56, F.A. Fraction and F.B. Fraction respectively, comprising a total of 1415.33 acres, all of the said leases being recorded in the name of Akaitcho Yellowknife Gold Mines Limited and in good standing for a term ending August 23rd, 1972.

SCHEDULE "B"
SALE OF AKAITCHO PROPERTY

MEMORANDUM OF AGREEMENT made in duplicate this 24th day of September, 1964.

BETWEEN:

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED,
a company incorporated under the laws of the Province of
Ontario, hereinafter called "Akaitcho"

OF THE FIRST PART

— and —

SUPERCREST MINES LIMITED, a company incorporated
under the laws of the Province of Ontario, hereinafter called
"Supercrest"

OF THE SECOND PART

WHEREAS Akaitcho is a company whose principal business is mining or exploring for minerals and is the holder of those mineral claims and mining rights situate at Yellowknife in the Northwest Territories held under Quartz Mining Leases and described in Schedule "A" hereto, all hereinafter called "the Akaitcho Property", in respect of which it has heretofore incurred prospecting, exploration and development expenses in searching for minerals;

AND WHEREAS Akaitcho has erected, installed or acquired certain buildings, plant, machinery and equipment for use in its business of mining and exploration;

AND WHEREAS Akaitcho has agreed to sell all its said property to Supercrest on the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH as follows:

1. Akaitcho hereby sells and agrees to transfer to Supercrest and Supercrest hereby purchases:
 - (a) The Akaitcho Property, for the price of \$202,000; and
 - (b) All the plant, buildings, machinery and equipment of Akaitcho for the price of \$298,000 being the cost thereof to Akaitcho;

that is to say, all the property of Akaitcho heretofore used in its business of mining and exploration for an aggregate consideration of \$500,000, which shall be fully paid and satisfied by the allotment and issue of 500,000 Class B preference shares of the par value of one dollar each of the capital of Supercrest, to be issued as fully paid and non-assessable.

2. Supercrest shall accept without objection or requisition such title as Akaitcho has in and to the Akaitcho Property.

3. At the time of closing Akaitcho shall effectively convey and transfer all right, title and interest in and to the Akaitcho Property and all buildings, plant, machinery and equipment, and deliver in form acceptable for registration all requisite transfers and assignments, bills of sale and assurances as counsel may reasonably require in order to transfer to and vest in Supercrest all right, title and interest in and to the said property and shall thereupon deliver up possession of such property to Supercrest, and Supercrest shall deliver certificates for fully paid and non-assessable shares as aforesaid.

4. The sale and purchase shall be closed on or before the 3rd day of November, 1964, or such extended date as may be agreed upon by the President or Vice-President of Akaitcho with a Director of Supercrest.

5. The property subject to sale shall be and remain at the risk of Akaitcho until closing hereunder.

6. Each of the parties hereto agrees to execute all such further documents and to do all such acts and things and give such further assurances as may be necessary or advisable to carry out the true intents and purposes hereof.

7. This agreement is conditional upon and shall not be binding upon the parties unless:

(a) On or before the 31st day of October, 1964 the sale of the Akaitcho Property to Supercrest has been duly authorized by a Special Resolution of Akaitcho; and

(b) On or before the time of closing such approvals and consents as may be required to effect the transfer of all the mining leases of the Akaitcho Property have been obtained.

AS WITNESS the corporate seals of the parties under the hands of their proper officers duly authorized in that behalf.

AKAITCHO YELLOWKNIFE GOLD MINES LIMITED

Per

"R. C. MOTT"
President

CS

Per

"A. C. CALLOW"
Secretary

SUPERCREST MINES LIMITED

Per

"P. N. PITCHER"
President

CS

Per

"J. T. McWHIRTER"
Treasurer

SCHEDULE "A"

"The Akaitcho Property"

Twenty-six mineral claims situate in the Yellowknife Mining District in the Northwest Territories of Canada, the titles to which are held under Quartz Mining Leases issued pursuant to the Canada Mining Regulations, or predecessor regulations, and are of record at the Department of Northern Affairs and National Resources at Ottawa as follows, namely: Leases numbered 1803 to 1828 inclusive, issued in respect of mineral claims designated AES 27 to AES 49 inclusive, AES 56, F.A. Fraction and F.B. Fraction respectively, comprising a total of 1415.33 acres, all of the said leases being recorded in the name of Akaitcho Yellowknife Gold Mines Limited and in good standing for a term ending August 23rd, 1972.

SCHEDULE "C"
DEVELOPMENT AGREEMENT

MEMORANDUM OF AGREEMENT made in duplicate this day of October, 1964.
BETWEEN:

SUPERCREST MINES LIMITED, a company incorporated
under the laws of Ontario, carrying on business in the North-
west Territories, hereinafter called "Supercrest"

OF THE FIRST PART

— and —

GIANT YELLOWKNIFE MINES LIMITED, a company
incorporated under the laws of Ontario, carrying on business
in the Northwest Territories, hereinafter called "Giant"

OF THE SECOND PART

WHEREAS Supercrest is the holder of mineral claims and mining rights situate at Yellowknife, Northwest Territories, more particularly described in Schedule "A" hereto, all hereinafter called "the Akaitcho Property";

AND WHEREAS Giant is a corporation whose principal business is mining or exploring for minerals in Canada, and is the owner of the mining property, hereinafter for convenience referred to as "the Giant Mine", contiguous on the south to the Akaitcho Property, and is engaged in the active mining thereof and the treatment of ore in its treatment plants located thereon;

AND WHEREAS Supercrest desires to arrange for the further exploration and development of the Akaitcho Property to determine the mining potential thereof, and Giant has agreed to undertake the same, all on the terms and conditions hereinafter set forth;

AND WHEREAS Supercrest is an Ontario company having an authorized capital of 665,010 common shares with a par value of \$1.00 each, all issued and outstanding as fully paid, and 1,600,000 Class "A" 5% non-cumulative, non-voting, redeemable preference shares with a par value of \$1.00 each and 500,000 Class "B" 5% non-cumulative, non-voting, redeemable preference shares with a par value of \$1.00 each ranking equally with said Class "A" shares except as to the prior rights of Class "A" upon redemption, none of which said preference shares are issued;

WITNESSETH that in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do agree as follows:

1. Supercrest hereby gives, grants and assigns to Giant full right, liberty and license by its officers, servants, agents, workmen and contractors to have access to and to enter upon the Akaitcho Property and to carry out exploration and development thereon in search for minerals, and for such purposes to make, construct and open all such mines and workings, and to carry out such surveys, testing, drilling and sampling, and to bring, install and erect thereon such buildings, machinery, plant, equipment and supplies as it may deem necessary or advisable, and to do all such other acts and things as may be reasonably incidental thereto, and the right to remove reasonable quantities of ore for assay and testing purposes.

And Supercrest further grants to Giant the right, free of rent or charge, to use all or any part or parts of Supercrest's buildings, plant, machinery and equipment in relation to its exploration and development programme, with liberty to detach or move the same as Giant may require; in the event that any such are used for purposes which extend beyond the programme on the Akaitcho Property, then Giant shall pay rent to Supercrest on components so used, apportioned in respect of such use.

2. Giant hereby agrees to carry out a programme of exploration and development on the Akaitcho Property in search for minerals therein and undertakes to incur the expenses thereof in the amount of not less than \$500,000 to be incurred within thirty months of the date hereof, in consideration of Class "A" preference shares of the capital of Supercrest which Supercrest agrees to issue upon the terms and conditions hereinafter set forth.

Giant undertakes and agrees, in particular, to carry out exploration and development work directed to opening a drift in the Akaitcho Property at the 750 foot or other selected level and to continue exploration and development from such drift or opening, and otherwise in the Akaitcho Property as the results of such work and information obtained about the Akaitcho Property may warrant.

3. Giant covenants and agrees with Supercrest:

(a) That all work done by Giant, its agents, servants and contractors will be carried out in accordance with good mining practice and in compliance with the terms of the Supercrest leases and the laws and ordinances of the Northwest Territories;

(b) That Giant will cause to be paid all workmen and wage earners employed by it or by its contractors on the Akaitcho Property and all accounts for materials and services and will keep the mine free from liens, or in the event that any lien should be recorded, that it will upon this fact becoming known to it, forthwith take steps to have such lien removed;

(c) That Giant will keep proper records, in addition to accounting records hereinafter referred to, and will from time to time furnish reports to Supercrest, and will make available to representatives of Supercrest for inspection all maps, plans, assay returns and other reports and documents which it may at any time have in its possession or under its control relating to the exploration and development carried out by it on the Akaitcho Property pursuant to this agreement;

(d) That representatives of Supercrest shall have the right at their own risk to enter the Akaitcho Property to inspect the work at all reasonable times, through any and all workings at such times open and worked in connection with the programme contemplated hereby, provided that such entering shall not unreasonably interfere with work in progress;

(e) That Giant will save harmless and keep indemnified Supercrest from and against all claims and demands, losses, costs, charges and expenses which Supercrest may sustain, incur or be liable to with respect to matters arising from or out of the operations of Giant pursuant to this agreement and not attributable to the negligence or omissions of Supercrest.

4. For purposes of this agreement Giant shall be deemed to have incurred expenses in carrying out the exploration and development contemplated hereby if and to the extent that it expends money in diamond drilling, shaft sinking, raising, cross-cutting and drifting; in searching for, digging, trucking, sampling, working and procuring minerals, ores and metals; in doing geophysical, geochemical and geological surveys, study and mapping; in doing all other work usually considered to be exploration, development and mining work; in paying wages and salaries of men engaged in such work; and in supplying food, lodging, transportation and other reasonable needs of such men; in paying assessments or premiums for workmen's compensation insurance, contributions for unemployment insurance or other pay, allowances or benefits customarily paid in the district to such men; in purchasing or renting plant, buildings, machinery, tools, appliances, equipment or supplies and in installing, erecting, detaching and removing the same or any of them; in the management of any work which may be done on the mineral claims or any of them, or in any other respects necessary in the opinion of Giant for the due carrying out of the said exploration and development. Without limiting the generality of the foregoing, Giant shall have the right to charge a reasonable rental with respect to any machinery, tools, appliances or equipment used in carrying out the said programme.

For greater certainty, it is the intention of the parties that Giant shall be entitled to claim as an expense of carrying out the said programme of exploration and development all its costs thereof, including a proper portion of engineering, supervision, general and mine office expenses and general expenses at the property, but not including its head office or general corporate expenses.

Giant shall report to Supercrest periodically as to expenses incurred by it under this agreement in the exploration and development of the Akaitcho Property, and such reports with statements of expenses certified by the Mine Manager or other officer of Giant, shall be prima facie evidence of such expenses.

5. For each \$1.00 of the expenses so incurred by Giant in the exploration and development in search for minerals in the Akaitcho Property, Giant shall be entitled to have allotted and issued to it one fully paid and non-assessable Class "A" preference share with a par value of \$1.00 of the capital of Supercrest, and Supercrest hereby undertakes and agrees to allot and issue the said preference shares of its capital to Giant accordingly. To give effect to the intent and purposes of this agreement, Supercrest agrees to

call meetings of its Board of Directors at appropriate intervals and to allot and issue such shares to Giant as required hereunder and promptly after allotment and issue to deliver the required certificates to Giant.

6. Giant undertakes and agrees that it will not remove ores from the Akaitcho Property, except as hereinbefore permitted for sampling and testing purposes, or except to the extent that removal of ores encountered in the conduct of its exploration and development work in the Akaitcho Property may be necessary or desirable. Supercrest grants to Giant the right to mine, sever and remove any such ore so encountered (hereinafter referred to as "Development Ore"). Giant shall have the right, without obligation so to do, to treat such Development Ore, and to sell the metals recovered therefrom, Giant accounting to Supercrest for any net proceeds, determined in accordance with the formula set forth at Schedule "X" hereto. Giant will allow officers and agents of Supercrest access to its records necessary to verify particulars of treatment costs and proceeds, if any, of sale of Development Ore.

7. Supercrest represents that the leases under which it holds title to the Akaitcho Property are valid and subsisting leases and that it has the right to enter into this agreement, and undertakes to record notice hereof against title to the Akaitcho Property in such form as may be requisite or desirable.

8. It is expressly understood and agreed by and between the parties that Giant is to be entitled to claim all tax write-offs and deductions in respect of the exploration and development expenses to be incurred by it in searching for minerals in the Akaitcho Property pursuant to the terms of this agreement and in consideration of the issue of preference shares of Supercrest, as hereinbefore set forth, and in particular, shall be entitled to the benefits provided by sub-section (8) of Section 83A of The Income Tax Act (Canada).

9. It is understood and agreed that nothing herein contained shall be deemed to require Giant to maintain the exploration and development work on a continuous basis, but that the same may be interrupted and resumed as Giant may consider desirable to meet the exigencies of its programme and operating conditions, it being further understood and agreed that Giant may at any time by notice in writing to Supercrest terminate such programme of exploration and development, subject however to Giant's obligation to expend a minimum of \$500,000 within thirty months of the date of this agreement.

10. In the event that Giant's work in carrying out the provisions of this agreement shall be prevented or delayed by reason of force majeure, reported by Giant to Supercrest within a reasonable period, then the time or times specified within which the aforesaid minimum expenses are to be incurred or other provisions of this agreement carried out, shall be extended by the length of any such prevention or delay. For purposes hereof "force majeure" shall mean acts of God, strikes, lockouts or other labour or industrial disturbances, arrests and restraints from rulers and people, interruptions by government or court orders, future orders of any regulatory body having jurisdiction, acts of the public enemy, wars, riots, sabotage, blockades, embargoes, insurrections, inability to secure materials, power or labour, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts or explosions and any other cause beyond the reasonable control of Giant, whether or not of the character hereinabove mentioned.

11. During the conduct of its said exploration and development of the Akaitcho Property, Giant shall have the absolute right at any time and from time to time to detach any and all buildings, plant, equipment, machinery, appliances, tools or supplies which may have been brought by it upon the Akaitcho Property, notwithstanding that the same or any of them may have become affixed to the land, and providing the capital cost thereof has not been charged to the programme expenses. Further, Giant shall have a right of entry and removal of the same from the Akaitcho Property at any time not later than six months from the date of termination of the programme.

12. In the event of any dispute between the parties in respect of any matter arising under the provisions of this agreement or the interpretation hereof which cannot be settled to mutual satisfaction, the same shall be submitted to arbitration to be conducted in accordance with the provisions of The Arbitration Act of Ontario.

13. This agreement shall be deemed to be a contract made under the laws of the Province of Ontario, and shall be construed in accordance with the laws of such Province.

14. Each of the parties hereto agrees to execute all such further documents and to do all such acts and things as may be necessary or desirable to carry out each and every of the true intents and purposes hereof.

15. This agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

AS WITNESS the corporate seals of the parties under the hands of their proper officers duly authorized in that behalf.

SUPERCREST MINES LIMITED

Per

Per

GIANT YELLOWKNIFE MINES LIMITED

Per

Per

SCHEDULE "A"

"The Akaitcho Property"

Twenty-six mineral claims situate in the Yellowknife Mining District in the Northwest Territories of Canada, the titles to which are held under Quartz Mining Leases issued pursuant to the Canada Mining Regulations, or predecessor regulations, and are of record at the Department of Northern Affairs and National Resources at Ottawa as follows, namely: Leases numbered 1803 to 1828 inclusive, issued in respect of mineral claims designated AES 27 to AES 49 inclusive, AES 56, F.A. Fraction and F.B. Fraction respectively, comprising a total of 1415.33 acres, all of the said leases being recorded in the name of Akaitcho Yellowknife Gold Mines Limited and in good standing for a term ending August 23rd, 1972.

SCHEDULE "X"

This is Schedule "X" to the agreement of _____ October, 1964, between Giant Yellowknife Mines Limited and Supercrest Mines Limited.

"Development Ore"

Formula for monthly accounting by Giant to Supercrest for the net proceeds of Development Ore, if any, removed by Giant and treated and sold by Giant.

Giant shall be accountable for the net proceeds from such Development Ore only in respect of gold and silver recovered according to the following formula:

1. **The number of ounces of gold** produced from the Akaitcho Property shall be calculated monthly according to the following formula:

(tons of ore from Akaitcho Property treated during the month) x (average grade of Supercrest ore by car sampling during the month) x (overall treatment plant recovery for the month).

2. **The price** attributable to gold produced during any month from the Akaitcho Property shall be the average price received by Giant for all sales of gold produced during such month, less marketing expenses applicable to the number of ounces produced from the Akaitcho Property.

3. **The proceeds of sales of gold** shall be calculated by multiplying the number of ounces determined according to paragraph 1 above by the price determined according to paragraph 2 above.

4. **The proceeds of silver sales** shall be calculated monthly on the basis of returns from the Royal Canadian Mint as to silver values, apportioned in the ratio of the number of ounces of gold produced from the Akaitcho Property to the total number of ounces of gold produced in the month by Giant from all properties and included in the said Mint returns.

5. **No value** shall be attributed to tailings or waste deposited by Giant in accordance with its normal milling and treatment procedures notwithstanding that the same may have some precious metal content, and the title to all such tailings or waste deposits shall belong to Giant.

6. **The net proceeds** from the Development Ore shall be determined by adding the proceeds from sale of gold determined as above, and the proceeds of silver sales determined as above, and deducting therefrom the cost of treatment. For the purposes hereof the cost of treatment shall mean all Giant's operating and overhead costs in connection with the treatment of Supercrest Development Ore.

SCHEDULE "D"

MILLING CONTRACT

MEMORANDUM OF AGREEMENT made in duplicate the day of , 196

BETWEEN:

SUPERCREST MINES LIMITED, a company incorporated under the laws of Ontario, carrying on business in the Northwest Territories, hereinafter called "Supercrest"

OF THE FIRST PART

— and —

GIANT YELLOWKNIFE MINES LIMITED, a company incorporated under the laws of Ontario, carrying on business in the Northwest Territories, hereinafter called "Giant"

OF THE SECOND PART

WHEREAS Giant is engaged in the mining and processing of gold ores at Yellowknife in the Northwest Territories of Canada, on the property known as "the Giant Mine", on which are situate an ore treatment plant with machine shops, warehouses, power and heating plant, testing laboratories and extensive facilities related to or servicing the treatment plant, including office, camp and administrative facilities, all of which are herein called "the Giant Mill";

AND WHEREAS Supercrest holds and has developed the mining property adjoining the Giant Mine on the north, and called "the Akaitcho Mine", described in Schedule "A" hereto, explored and developed with the assistance of Giant, and is engaged in preparing the Akaitcho Mine for production as a gold mine, with a view to commencing commercial production;

AND WHEREAS Giant is prepared to undertake the milling of Supercrest's ore from the Akaitcho Mine, on the terms hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH:

1. (a) For a period of ten years from the date hereof, or such lesser time as Giant continues to operate the Giant Mill, Giant will receive and process for and on behalf of Supercrest, gold ores delivered from the Akaitcho Mine, subject to the following terms and conditions.

(b) From and after, and so long as Supercrest maintains continuous production in reasonable commercial quantities, Giant undertakes to provide capacity and to receive and process in the Giant Mill up to 200 short tons per operating day of ore mined from the Akaitcho Mine; PROVIDED always that Giant's obligation hereunder shall be deemed fully satisfied and discharged, notwithstanding that Akaitcho ore is not treated daily, so long as Akaitcho ore received in each quarter of the fiscal year is processed wholly or to the extent of an aggregate amount equivalent to not less than 200 tons per operating day.

(c) Subject to the provisions of paragraph (b) above, Giant shall have the right to determine at what rates and in what quantities it will from time to time receive and process such ores, and shall be under no absolute obligation to receive and process ores on a continuous basis or at any specified rate, and may at its discretion from time to time interrupt or suspend processing. Without limiting its discretion herein, Giant hereby declares its intention to conduct the processing of Akaitcho ores at an efficient, economic and profitable rate, having regard to the availability of the ores and the overall considerations in the utilization, maintenance and capacity of the Giant Mill, and the efficient conduct of Giant's own operations.

2. (a) Supercrest shall pay to Giant as a charge for processing Akaitcho ore that part of the overall processing costs of Giant of each calendar year, or monthly or other accounting period appropriate to the

circumstances, which stands in the same proportion to such overall processing costs as the tonnage of Akaitcho ore processed in the period bears to the total tonnage of ore processed in the Giant Mill in such period. Supercrest shall pay to Giant each month an amount on account of such charge, calculated with reference to the current monthly milling rate, and the charge for the year shall be adjusted between the parties as of the end of each calendar year, and settled by payment to be made on or before February 28th following.

(b) The overall processing costs of Giant shall be deemed to mean and include all costs, expenses and charges actually incurred or accrued by Giant in the operation and maintenance of the Giant Mill, and comprising all direct and indirect costs and expenses which can be reasonably attributed to the operation of the Giant Mill, and shall include an allowance for depreciation calculated on the same basis as may from time to time be adopted by Giant in its published financial statements.

For greater certainty, it is the intention of the parties that Giant shall be entitled to claim as an expense of processing, all its costs thereof, including a proper portion of engineering, supervision, general and mine office expenses and general expenses at the property, but not including its head office or general corporate expenses.

3. Giant will provide all necessary supplies and parts to maintain the Giant Mill in an efficient operating condition for the processing of ores for such time as it decides to continue processing Akaitcho ores.

4. (a) Ore delivered by Supercrest for processing in the Giant Mill shall be crushed to a size suitable for treatment by the existing facilities, and free of excessive moisture content and of elements or impurities deleterious to milling. Deliveries shall be made in accordance with the receiving arrangements to be notified by Giant to Supercrest from time to time.

(b) Weighing, sampling and moisture determination of all ores processed by the Giant Mill shall be carried out by Giant in accordance with good mining practice. Supercrest shall have the privilege of being represented at such operations and the right to check determinations, and/or to have the same checked by a third person mutually agreed upon as umpire.

(c) Giant shall have the right to intermix Supercrest's ores with other mill feed in the Giant Mill. The gold content of Supercrest ores processed by the Giant Mill in any period and the gold content of all ore processed by the Giant Mill in the same period shall be determined by sampling and assaying as aforesaid. The resultant gold bullion produced shall be apportioned according to the ratio of content aforesaid, with adjustments where required in respect of any distinctive recovery characteristics relating to Akaitcho Mine ores.

5. Gold bullion produced from Akaitcho ores shall be shipped in the name of Supercrest to the Royal Canadian Mint in Ottawa, or such other consignee as Supercrest may determine.

6. (a) Giant agrees to keep proper books of account and to allow Supercrest the right of inspection thereof at all reasonable times.

(b) Giant agrees to maintain all usual and requisite records of all operations conducted, to allow Supercrest the right of inspection thereof at all reasonable times and to furnish Supercrest with copies of such records and reports as it may reasonably require.

(c) Giant agrees to furnish regular periodic reports of operations conducted hereunder.

7. Giant will arrange insurance for public liability and other usual risks relating to the contemplated operations, with endorsements for the protection of Supercrest as it may reasonably require, and will advise Supercrest from time to time of the insurance carried.

8. (a) Supercrest represents and warrants that it has good title to the Akaitcho Mine, and the right to enter into this agreement.

(b) Giant represents and warrants that it has good title to the Giant Mine and the Giant Mill, and the right to enter into this agreement.

9. In the event of any dispute between the parties in respect of any matter arising under the provisions of this agreement or the interpretation hereof which cannot be settled to mutual satisfaction, the same shall be submitted to arbitration to be conducted in accordance with the provisions of The Arbitration Act of Ontario.

10. In the event that the carrying out of the provisions of this contract shall be prevented or delayed by reason of force majeure, reported by Giant to Supercrest within a reasonable period, then Giant shall be relieved of its obligations for the milling of ore for the period of such prevention or delay, and the time for performance of any of the provisions of this contract shall be extended for a period equal to the period of such prevention or delay. For the purposes hereof "force majeure" shall mean acts of God, strikes, lockouts or other labour or industrial disturbances, arrests and restraints from rulers and people, interruptions by government or court orders, future orders of any regulatory body having jurisdiction, acts of the public enemy, wars, riots, sabotage, blockades, embargoes, insurrections, inability to secure materials, power or labour, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts or explosions and any other cause beyond the reasonable control of Giant, whether or not of the character hereinabove mentioned.

11. This agreement shall be deemed to be a contract made under the laws of the Province of Ontario, and for all purposes shall be construed in accordance with the laws of such Province.

12. Each of the parties hereto covenants and undertakes to execute all such further and other documents and do all acts and things as may be necessary or desirable to carry out each and every of the true intents and purposes hereof.

13. This agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

AS WITNESS the corporate seals of the parties hereto under the hands of their proper officers duly authorized in that behalf.

SUPERCREST MINES LIMITED

Per

Per

GIANT YELLOWKNIFE MINES LIMITED

Per

Per

SCHEDULE "A"

"The Akaitcho Mine"

Twenty-six mineral claims situate in the Yellowknife Mining District in the Northwest Territories of Canada, the titles to which are held under Quartz Mining Leases issued pursuant to the Canada Mining Regulations, or predecessor regulations, and are of record at the Department of Northern Affairs and National Resources at Ottawa as follows, namely: Leases numbered 1803 to 1828 inclusive, issued in respect of mineral claims designated AES 27 to AES 49 inclusive, AES 56, F.A. Fraction and F.B. Fraction respectively, comprising a total of 1415.33 acres, all of the said leases being recorded in the name of Akaitcho Yellowknife Gold Mines Limited and in good standing for a term ending August 23rd, 1972.

DUNCAN R. DERRY LIMITED
CONSULTING GEOLOGISTS

Office: EM. 3-6528

Residence: CR. 8-2524

August 18, 1964.

The President,
Akaitcho Yellowknife Gold Mines Limited,
21st Floor,
7 King Street East,
Toronto, Ontario.

DEAR SIR:

In July, 1962, at the request of Mr. A. J. Anderson, then president of your company, I paid a visit to your company's Yellowknife property and to the Giant Yellowknife Mine for the purpose of obtaining a sufficient background of information in order to give an informed but independent opinion on any proposals for a joint operation on the Akaitcho property. Besides studying the available data on the Akaitcho drilling results and the geological relationship to the Giant geology and ore bodies, I was given full access to the underground workings, plans and records at the Giant Yellowknife Mine. A matter of particular significance is the relationship between the grade of a given ore body as indicated from diamond drilling and the actual grade of the mill feed from the same ore body when in production. Records of Giant over a period of years in this connection were of particular value.

Since my visit in 1962 the only developments that might affect an appraisal of the potential value of the Akaitcho ore body are the following:

- (1) A program of diamond drilling amounting to just under 7,000 feet was carried out to test the downward continuation of a part of the Akaitcho zone and one portion closer to surface. This drilling did not add any commercial ore to the known reserves, but did provide additional structural information that may be of value in exploration of other parts of the property in the future.
- (2) The underground work in the Giant Yellowknife Mine was continued northerly towards the Akaitcho boundary thus adding more information on the character of ore in the boundary area and the structural relationship between the Giant and Akaitcho ore zones.

A study of the grade and tonnage as indicated by drilling on the Akaitcho ore zone since its discovery indicated a reasonably assured tonnage of 165,000 tons at an undiluted grade of 0.88 ozs. per ton. In addition, the "East extension" was estimated to give 42,000 tons of approximately the same or possibly slightly better grade and a further 156,000 tons of "probable" ore on the east-dipping zone at a grade slightly lower than the above figures. In view of the fact that the recent program did not add ore, it would be unrealistic to assume for the purposes of an economic appraisal or a decision on production, any higher tonnage than the above figures. Even if it were not necessary (as shown below) to apply a downward factor to the drilling grade in addition to the normal dilution allowance, calculations show that it would be economically impossible (at the present price of gold) for Akaitcho to mine and treat the presently-known ore as an independent operation. The obvious solution is some form of co-operation with Giant Yellowknife and studies by representatives of both companies over the past two years have been aimed at devising a plan that would be fair to both parties.

In order to establish what minimum grade could be considered it was assumed during my study in 1962 that the operating cost of extracting and treating Akaitcho ore through the Giant workings would be

the actual cost at Giant at that time which was just under \$12.00 plus about 50 cents for extra tramming, and I actually took a figure of \$13.00. Thus, to offset straight operating costs without repayment of capital, the minimum recovery would be just under 0.4 ozs. To repay capital required to place the ore body in production, assuming a minimum of 165,000 tons would require an additional 0.1 ozs. or so in recovered grade so that we might say that the minimum mill feed, assuming close to 90% recovery, would have to be about 0.55 ozs. per ton.

The grade that will result from the delivery of the Akaitcho ore is the most difficult figure to establish in the study. The most reliable way to consider it would seem to be from a study of the history of ore bodies in the northern part of the Giant property from the time they were known from drilling only to the time they were mined out and delivered to the mill. Naturally, complete figures could not be obtained until such ore bodies were completely mined out but, on the basis of the figures available to me, it seemed that an ore giving a drilling grade (undiluted) of .88 would result in a mill feed of between .65 and .70.

If a grade of, say .69 ozs./ton is accepted, the studies show that the mining and treatment through Giant facilities of the "assured" ore at Akaitcho would repay the probable capital required and yield a small profit. The profit to Giant would not be sufficient to justify the investment of \$500,000 if it were a new project unconnected with present operations. It would, of course, be justified in view of its effect on the future of the Giant Yellowknife mine.

From Akaitcho's standpoint, again taking in only the "assured" ore, the plan is justified as a means of getting a potential ore body opened up.

From both companies' point of view, the proving and recovery of additional ore could provide satisfactory profits once the capital repayments to each company are completed.

At the time of my visit the general principle of repayment of the capital necessary to place the Akaitcho ore in production, followed by a sharing of the profits between the two companies, was under consideration. The present proposal, including the repayment to Akaitcho of an assumed equipment and property value of \$500,000 (such repayment ranking immediately after repayment of the capital provided by Giant) followed by a sharing of the profits 50-50 through dividends seems to be to me eminently fair. The mechanics of using a third company, Supercrest, which is previously acquired 50-50 by Akaitcho and Giant, seems to me an efficient and neat method of carrying out the above principles. It is my understanding that any funds additional to \$500,000 advanced by Giant would only be done so with the agreement of Akaitcho's representatives on the Supercrest board and under conditions or repayment satisfactory to them.

With the above proviso in respect of advances from Giant, it is my opinion that the proposed arrangement for the exploitation of the Akaitcho ore bodies is a fair one to both parties. I believe the Akaitcho directors would be wise to accept the proposals as the best way of bringing the Company's property into production and profiting from any ore additional to that required for the repayment of capital expenditures.

Yours sincerely,

DUNCAN R. DERRY.

SUPERCREST MINES LIMITED
(formerly Supercrest Copper Mines Limited)

PRO FORMA BALANCE SHEET AS AT SEPTEMBER 15, 1964

after giving effect to:

- (i) the Supplementary Letters Patent issued to Supercrest dated September 2, 1964;
- (ii) the acquisition from Akaitcho Yellowknife Gold Mines Limited of its property for 500,000 Class B preference shares, p.v. \$1.00 as follows:
 - Mining properties \$202,000
 - Buildings, plant, machinery and equipment \$298,000
- (iii) advances by Giant and Akaitcho of \$10,000 each;
- (iv) issue of Class A preference shares, p.v. \$1.00 to Giant pursuant to development programme.

A S S E T S

	After acquisition of Akaitcho Property	Assuming production commences at completion of Giant's \$500,000 programme
Current		
Cash	\$ 20,747	\$ 20,747
Fixed		
<i>Mining properties</i> , 26 mineral claims under lease, as explored by predecessor	202,000	202,000
<i>Buildings</i> , plant, machinery and equipment (at cost to predecessor)	298,000	298,000
Deferred Exploration	—	500,000
	<u>\$ 520,747</u>	<u>\$1,027,747</u>

L I A B I L I T I E S

Current		
Advances by Shareholders	\$ 20,000	\$ 20,000
Capital		
Common Shares \$1.00 par value		
Authorized and issued	665,010	665,010
Preference Shares \$1.00 par value		
Class A		
Authorized 1,600,000		
Issued:		
For Development	nil	500,000
	<u>\$1,185,010</u>	<u>\$1,685,010</u>
Class B		
Authorized 500,000		
Issued:		
For property — 500,000 shares	500,000	500,000
Less: Deficit	664,263	664,263
	<u>\$ 520,747</u>	<u>\$1,027,747</u>

